

CALIFORNIA STATE ATHLETIC COMMISSION

Specific Language

1. Amend Section 406 in Article 12 of Chapter 1 of Division 2 of Title 4 of the California Code of Regulations, to read as follows:

406. Determination of Benefits.

(a) Measure of Benefits.

The benefit distributable to a covered boxer upon retirement or to the covered boxer's beneficiary in the event of the covered boxer's death, shall be the value of the participating boxer's accrued benefit as of the last day of the plan year coinciding with or next following the date of death or attainment of age ~~55~~ 50.

(b) Nonliability.

The commission does not guarantee the pension fund, the participating boxers or their beneficiaries against loss of or depreciation in value of any right or benefit that any of them may acquire under the terms of this Plan. All of the benefits payable hereunder shall be paid or provided for solely from the pension fund.

(c) Methods of Payment.

The commission, with respect to any benefit, is authorized:

(1) To pay benefits directly from the pension fund in a lump sum or installments;

(2) To invest the amount of the accrued benefit in an installment contract or annuity for the benefit of the covered boxer or the participating boxer's beneficiary by conversion of existing contracts or otherwise. Such installment contract, endorsed as nontransferable, may be distributed to the covered boxer or the covered boxer's beneficiary;

(3) To distribute to the covered boxer the contracts on the covered boxer's life; in such event, if the vested interest of the covered boxer is less than the value of contracts to be distributed, then the commission may reduce their net value to the amount of the vested interest by making a policy loan or allowing the participating boxer to purchase the excess contract value; or

(4) Any combination of the preceding methods.

(d) Payment of Benefits.

(1) When a covered boxer either reaches age ~~55~~ 50 or dies, the commission shall determine the boxer's accrued benefit on the last day of the plan year (or a valuation date as of the date the participating boxer became entitled to benefits hereunder, if the commission orders a special valuation to be made or if the accounts are segregated individual accounts). The covered boxer shall be provided with nontransferable, fixed or variable installment contract of such type and from such insurer as the trustee shall select, payable over a period of years not to exceed the greater of thirty (30) years, the covered boxer's life expectancy or the joint expectancy of the covered boxer and the covered boxer's designated beneficiary. The payments shall be substantially equal in amount and shall occur at least annually.

(2) A covered boxer may, for good cause shown, petition the commission in writing to receive one of the following alternative methods of payment:

(A) Lump Sum.

A single lump sum distribution of the covered boxer's accrued benefit in cash or in-kind.

(B) Installments.

Cash payments in quarterly installments of substantially equal designated amounts or of a designated percentage of the value of the covered boxer's accrued benefit payable over a five year term, which shall not exceed the covered boxer's remaining life expectancy or over the joint life expectancy of the covered boxer and the covered boxer's designated beneficiary.

(3) For purposes of subsection (d), "good cause" means the covered boxer's terminal illness or disability retirement, or the situation where it is objectively imprudent to purchase an annuity contract.

(e) Commencement of Payment of Benefits.

Distribution of the funds due to a covered boxer shall be made to such covered boxer as soon as is administratively feasible after the last day of the plan year in which the covered boxer reaches age ~~55~~ 50 or dies or meets other applicable early retirement distribution criteria and without unreasonable delay unless due to causes beyond the control of the commission, its trustee or other appointed fiduciary.

(f) Vocational Early Retirement Benefit.

A covered boxer may ask the commission to convert all or a portion of the covered boxer's accrued benefit to a vocational education benefit. This request shall be made by the covered boxer on or after the covered boxer has reached the age of 36 and has retired from boxing, as evidenced by unconditional surrender or cancellation of the boxer's license. The commission may, in its discretion, grant such petition in whole or in part.

If the commission grants the petition, it may pay all or a portion of the covered boxer's accrued benefit for education or vocational training. The commission shall make such payments directly to an institution approved by the Bureau for Private Postsecondary and Vocational Education, or its equivalent in another state or jurisdiction, on a periodic basis as billed by the institution and where the institution submits evidence satisfactory to the commission that the boxer is maintaining satisfactory attendance at the institution.

(g) Amount of Death Benefits.

Upon the death of a covered boxer prior to age ~~55~~ 50, the covered boxer's accounts shall become payable to the covered boxer's beneficiary.

(h) Designation of Beneficiary.

Each participating boxer shall have the right to designate, on forms provided by the commission, a beneficiary or beneficiaries to receive the participating boxer's death benefits, and shall have the right, at any time, to revoke such designation or to substitute another such beneficiary or beneficiaries without the consent of any beneficiary; provided, however, that a married participating boxer and spouse must both designate any non-spouse beneficiary or beneficiaries. The commission shall file all beneficiary designations with the trustee and with the insurer insofar as they affect any insurance contracts on the participating boxer's life.

(i) Absence of Valid Designation of Beneficiaries.

If, upon the death of a covered boxer or beneficiary, there is no valid designation of beneficiary on file, the commission shall designate the covered boxer's survivors and issue as the beneficiary, in order of priority according to the California Probate Code.

The determination of the commission as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons. The commission may seek a declaratory judgment of a court of local jurisdiction to determine the identity of beneficiaries and their respective shares at the expense of the beneficiary's accounts.

(j) Distributions to Incapacitated Covered Boxers.

If a covered boxer or beneficiary who is entitled to a payment under the Plan is deemed incapable of personally receiving the payment, the commission or its trustee may make all benefit distributions to the persons or institutions which are providing for the care and maintenance of the covered boxer or beneficiary and continue to make distributions to them until a duly appointed legal representative of the covered boxer or beneficiary makes a claim for the payment. Payments made pursuant to the terms of this subsection shall constitute a distribution to the covered boxer or beneficiary entitled hereto, and shall immediately discharge the commission, the Plan and the pension fund or any further liability therefor.

NOTE: Authority cited: Sections 18611 and 18881, Business and Professions Code.
Reference: Section 18881 and 18882, Business and Professions Code.